

Message Text

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ORIGIN OPIC-06

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DRAFTED BY OPIC/F TPARNELL
APPROVED BY EB/IFD/ OIA:RJSMITH
OPIC/F:BMHENDERSON (DRAFT)
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FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI PRIORITY

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E.O. 11652: N/A

TAGS: EFIN

SUBJECT: OPIC MISSION

1. SUMMARY: OPIC REQUESTS EMBASSY ASSESSMENT OF TIMING AND APPROPRIATENESS OF INVESTMENT CLIMATE REVIEW AND INVESTMENT OPPORTUNITY IDENTIFICATION EFFORT BY BONNY HENDERSON, MANAGER PROJECT FINANCE-AFRICA, AND TODD PARNELL, INVESTMENT OFFICER AFRICA, IN EARLY SEPTEMBER. OBJECTIVES INCLUDE: EVALUATION INVESTMENT CLIMATE, PARTICULARLY IMPACT FIPA AMENDMENT; IDENTIFICATION OF SPECIFIC VIABLE INVESTMENT OPPORTUNITIES FOR U.S. INVESTORS. PROPOSED PROGRAM WOULD CONSIST OF BRIEFINGS/MEETINGS WITH EMBASSY, GOK OFFICIALS, U.S. BUSINESS REPS AND BANKERS, LOCAL INVESTORS AND INTERNATIONAL FINANCIAL INSTITUTIONS SEPTEMBER 6-8, AND INTENSIVE FOLLOW-UP EFFORT BY PARNELL THROUGH SEPTEMBER 22 IF WARRANTED. IF EMBASSY CONCURS WITH APPROACH WILL FOLLOW WITH DETAILS OF PROPOSED PROGRAM, REQUEST FOR EMBASSY GUIDANCE AS UNCLASSIFIED

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TO WHOM TO SEE, ASSISTANCE IN APPOINTMENTS, LOGISTICS.

2. IN BRIEFINGS HENDERSON/PARNELL WOULD LIKE TO REACH FIVE DISTINCT AUDIENCES INCLUDING THE U.S. EMBASSY, HOST GOVERNMENT OFFICIALS CONCERNED WITH FOREIGN INVESTMENT, RESIDENT AMERICAN INVESTORS, LOCAL BUSINESSMEN WITH VIABLE PROJECTS DESIROUS OF AMERICAN PARTNERS, AND FINANCIAL INSTITUTIONS INCLUDING IDB, ICDC, COMMERCIAL BANKS, IFC, ETC. BRIEFINGS WILL INCLUDE DESCRIPTION INSURANCE AND FINANCING PROGRAMS, SUMMARY OF OPIC PROJECT DEVELOPMENT ACTIVITIES, AND DISCUSSION OF INVESTMENT CLIMATE AND IMPLICATIONS OF NEW AMENDMENT. OPIC PROJECT IDENTIFICATION EFFORTS AND PROJECT BROKERING ACTIVITIES WILL BE HIGHLIGHTED. OBJECT OF BRIEFINGS IS TO ENABLE MAXIMUM GIVE AND TAKE WITH BOTH TOP OFFICIALS AND WORKING LEVEL STAFF.

B. DURING EXTENDED STAY, PARNELL WILL CONTINUE EXAMINATION OF INVESTMENT CLIMATE AND TRY TO IDENTIFY A FEW REALISTIC INVESTMENT OPPORTUNITIES (INCLUDING EXPANSIONS OF EXISTING OPERATIONS) PROPOSED BY LOCAL FIRMS, DEVELOPMENT BANKS OR GOK. AS PART OF PROCESS, OFFICER WILL EXPLORE GOVERNMENT REGULATIONS, INFRASTRUCTURE AND RELATED CONSTRAINTS TO SUCCESSFUL IMPLEMENTATION OF PROJECTS BY FOREIGN INVESTORS. OFFICER WILL PREPARE FULLY IN U.S. BEFORE VISIT BY STUDYING DEVELOPMENT PLAN AND ECONOMIC STUDIES AVAILABLE FROM IBRD, DOC AND AID AND DISCUSSING KENYA WITH U.S. BANKERS AND COMPANIES CURRENTLY OPERATING THERE. IF ON-SITE INVESTMENT CLIMATE REVIEW FAVORABLE AND SPECIFIC OPPORTUNITIES IDENTIFIED, VISIT WILL BE FOLLOWED BY SELECTIVE "MARKETING" OF OPPORTUNITIES AMONG U.S. COMPANIES CAPABLE OF UNDERTAKING THE INVESTMENTS.

4. COMMENT: OBJECTIVE OF EFFORT TO DETERMINE WHETHER ADDITIONAL U.S. INVESTMENT IN KENYA PROMOTABLE AT THIS TIME, AND, IF SO, TO IDENTIFY SPECIFIC PROJECTS AND LEGITIMATE JOINT VENTURE PARTNERS TO TAKE TO THE U.S. BUSINESS COMMUNITY. OPIC'S PURPOSE IS NOT TO INFLATE LOCAL EXPECTATIONS OF U.S. INVESTMENT, BUT TO ATTEMPT IDENTIFY VIABLE REPEAT VIABLE PROJECT OPPORTUNITIES. OPIC FINANCE EXPERIENCE IN KENYA IS LIMITED TO MPALA FARMS LOAN AND RECENTLY EXPIRED COMMITMENT TO INNKEEPERS LTD. OPIC INSURANCE UNCLASSIFIED

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COVERAGE (CURRENT) IN KENYA EXCEEDS FORTY MILLION DOLLARS. PARNELL SPENT A WEEK IN KENYA LAST YEAR WORKING ON THE MPALA FARMS AND INNKEEPERS LTD. LOAN APPLICATIONS. OPIC DOES NOT EXPECT EMBASSY TO PROVIDE SUBSTANTIAL PERSONNEL SUPPORT DURING TWO WEEK "RESIDENCE" BY PARNELL. A PLACE TO SERVE AS HEADQUARTERS AND A CAR WITH DRIVER WOULD BE HELPFUL, BUT OPIC PREPARED TO MAKE OWN ARRANGEMENTS IF NECESSARY OR DESIRABLE. KISSINGER

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